



In 2011, The Society of American Military Engineers (the "Society") established an Education and Mentoring Fund ("E&M Fund") to promote the educational, professional development and mentoring goals of the Society. In coordination with the development of the *2020 Strategic Plan*, the Society filed the necessary IRS paperwork to establish The Society of American Military Engineers Foundation ("Foundation") as a separate 501(c)3 tax exempt organization. The Foundation was established in spring 2016.

The Foundation enables a separation of the philanthropic objectives of the Society from the Society's day-to-day operations to enhance efficiency. It is a separate and distinct charitable arm of the Society and it reports directly to the President/Board of Direction. The Foundation provides a secure and beneficial repository for charitable and other bequests from members of the Society and the public at large. Initially, the Foundation accepted the transfer of the Society's E&M Fund (approximately \$900,000) and will continue to honor previous E & M donor-imposed restrictions. The Foundation expects to grow rapidly through aggressive fundraising campaigns.

[www.same.org/foundation](http://www.same.org/foundation)

## FREQUENTLY ASKED QUESTIONS

### **How will the Foundation funds be spent?**

The primary compelling purpose of the Foundation is to promote the strategic goals of the Society and to support the development and growth of its members and future members. The Foundation will underwrite and support SAME programs to include but not limited to the following:

- Leader Development Program focused on tomorrow's engineering leaders
- SAME Engineering & Construction Camps
- Science Technology Engineering Math (STEM) related activities
- Member professional development and career advancement programs
- Scholarships to students pursuing degrees in STEM-related fields

### **Who can donate to the Foundation?**

Any SAME member, non-member, individual, firm or organization (public or private, for-profit or non-profit) can donate to the Foundation. This is **YOUR** Foundation!



## **Can the Foundation accept Qualified Charitable Contributions?**

The foundation can accept Qualified Charitable Contributions if made directly from tax-deferred accounts i.e. 401k, 403B, Individual Retirement Accounts, etc. as well as appreciated securities. Contributions such as full or partial Required Minimum Distributions (RMD) made directly from the tax-deferred accounts can generally be counted as a qualified charitable tax deduction; however, one should consult with their personal tax advisor for details.

## **Can one leave legacy bequests to the Foundation?**

Absolutely! By utilizing the Foundation's Planned Giving Program one can stipulate in a will, trust, annuity, life insurance policy or other legal document, that funds and/or assets are bequeathed in one's name to the Foundation, unrestricted or for a specific purpose i.e. camps, leader development, etc. The benefactor will be welcomed and inducted into the SAME Foundation Legacy League. Additional details regarding the Foundation Planned Giving Program can be accessed on the website <https://www.same.org/foundation> or by contacting the Society Executive Director regarding specific questions or guidance.

## **How are funds invested and managed?**

All foundation assets are invested per the Foundation Investment Policy (available for review upon request) and monitored by an Investment Management Committee stipulating a long-term view. A foundation-specialized investment management advisor is retained and the advisor's performance is reviewed annually. Returns are compared to industry benchmarks to ensure the Fund is performing to expectations. The Investment Management Committee reviews performance quarterly and reports results to the Foundation Board. The current Fund size enables an investment manager/brokerage fee (0.6%) which is below industry average and is expected to decrease.

## **Can restrictions be imposed on the way the money is spent?**

When money is contributed to the Foundation, the donor can limit the spending of the contribution to a specific use or time criteria.

## **What is the difference between unrestricted, temporarily restricted, and permanently restricted support?**

First, it should be noted that the Foundation welcomes all types of support.

- *Unrestricted* support includes all contributions to the Foundation that can be spent, at the discretion of Foundation leadership.



- *Temporarily restricted* support includes all contributions that must be expended for a specific purpose (time or use).
- *Permanently restricted* support includes all contributions whose principal cannot be expended by the Foundation. The most common example is an endowment fund, where the Foundation can use the investment earnings, but not the corpus.

## **Can Posts transfer funds to the Foundation?**

Absolutely. The Foundation welcomes and values funds from Posts placed with it as custodian. In fact, The Foundation aims to ease the Posts' administrative burden of investing and record-keeping. Assuming that Post spending objectives are consistent with the purposes of the Foundation, the Post and the Foundation will enter into an agreement that specifies fund spending and designations. Post funds placed with the foundation as custodian are governed by the Post Funds Policy regarding spending and distribution and is available to any Post that wants to review it.

## **Can Posts draw funds for operational purposes?**

If some of the funds are required for operational needs, that money should not be invested with the Foundation.

## **Will Posts be charged a management fee?**

A modest management fee will be assessed Posts placing funds for custodianship with the Foundation. This includes SAME Headquarters administration (currently 0.1%) and the investment advisor/brokerage fee (currently 0.6%) for a total of 0.7%, which will be deducted from investment earnings. The Post receives earnings – interest/dividends/gains (or incurs losses) on its pro-rata share of funds placed with the Foundation. The Foundation supports the overall strategic goals of the Society and the Posts. Suggested minimum investment thresholds: Small Post: \$20K, Medium Post: \$30K, Large Post: \$50K.

## **After requested, how long will it take for a Post to receive funds placed with the Foundation?**

Funds will be returned to a Post within thirty (30) days of receipt of a written request

## **Still have questions about the Foundation?**

Please feel free to contact the SAME Executive Director at (703) 549-3800. If he is unable to answer your questions, he will ensure the right person is contacted.